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C O N F I D E N T I A L SECTION 01 OF 02 KYIV 001171

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TAGS: [PGOV](#) [PREL](#) [UP](#)

SUBJECT: REGIONS RADA BLOCKADE LEAVES ISSUES HANGING

Classified By: Political Counselor Colin Cleary for reasons 1.4(b,d)

SUMMARY

11. (C) Opposition Party of Regions continued to physically block parliament, paralyzing the Rada and keeping it from adjourning on July 10 for the summer recess. Despite a budget crisis, Regions is demanding a significant increase in pensions and wages designed to bolster its standing with voters in the run up to the January 2010 presidential election. The blockade has stranded widely backed amendments to the presidential election code that President Yushchenko has vowed to veto. The election legislation may be handled in one of a number of special Rada sessions that may be called during the summer. It is unclear whether the Rada will reconvene the week of July 13. The Prime Minister's bloc and Regions shrugged off threats from the Presidential Secretariat that Yushchenko could dissolve the Rada and force early elections. End Summary.

BLOCKING THE RADA OVER PENSIONS

12. (C) Party of Regions prevented the Rada from convening during the last planned plenary week, July 6-10, of this session by physically blocking the rostrum and presidium. Regions demanded that the government amend the 2009 budget to increase pensions and the minimum wage by 20 billion hryvnya (or 2.5 billion USD). Regions deputy faction leader Oleksandr Efremov announced on July 10 that Regions would continue to block the Rada in order to prevent parliament from adjourning for summer recess until the changes are passed. Regions MP and businessman Andriy Kluyev told us that it is important for voters to see Regions focusing on pocketbook issues that effect their everyday lives. He noted the large banner Regions strung across the session hall which read "Party of Regions defends social guarantees to the people."

BLOCKADE GETS MEDIA ATTENTION

13. (C) Regions Deputy Faction leader Volodymyr Makeyenko admitted to us that blocking the rostrum and the demand for higher pensions was mostly "political theater" and that Regions is getting a lot of press coverage for their actions. Makeyenko, who is Deputy Chair of the Rada Budget Committee, conceded that Ukraine was struggling to pay current pensions and that there is no funding available for Regions' proposed increases. He told us that Regions would likely propose a number of other "populist" measures during the campaign in order to avoid being seen as only a party of big business.

BROAD SUPPORT FOR AMENDED ELECTION LAW

14. (C) The Rada passed in its first reading amendments to the current presidential election law on July 1. The bill garnered 367 votes and was backed almost unanimously by Regions, BYuT, and Lytvyn bloc. These groups maintain that the legislation will fix many of the procedural shortcomings of the 2006 and 2007 parliamentary elections. The amendments would limit the scope of the courts in election challenges, shorten the campaign period from 120 to 90 days, change how local and regional election commissions are formed, and end absentee voting. President Yushchenko on July 9 called the bill a "threat to democracy" because it "lessens transparency" and promised to veto it if it passes in its final reading. Tymoshenko Bloc (BYuT) MP Serhiy Mishchenko told us that BYuT expects Yushchenko to follow through on his veto threat, but that the Rada will have no problem overriding him. He said that this legislation was a priority and BYuT was working closely with Regions to get it passed before the summer recess so that the ground rules would be clear before the presidential campaign begins in the fall.

15. (C) Presidential candidate Arseniy Yatsenyuk, currently in third place in the polls, denounced elements of the elections bill as undemocratic in a meeting with G-7 Embassies on July 13. He claimed that the proposed law would give leading parties in the Rada dominant roles on local and regional election commissions. This would favor Regions and the Tymoshenko Bloc. Yatsenyuk charged that this could open the presidential election to fraud and manipulation.

#### EXTRAORDINARY RADA SESSIONS LIKELY

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16. (C) Both Regions and BYuT are discussing calling extraordinary Rada sessions prior to the start of the next official session on September 1. Mishchenko said that BYuT had already collected the 150 MP signatures needed to call a special session if needed. He said that although a final decision had not been made, they could use the session to try vote in new Finance and Transportation Ministers, to finalize funds for Euro 2012 infrastructure projects, or to pass amendments to the election law. Efremov in an interview on July 9 said that Regions had also gathered signatures for a extraordinary session in order to try to amend the budget to increase social spending that would cushion Ukrainians from the economic crisis. Pro-coalition Our Ukraine-People's Self Defense MP Kirilo Kulikov told us that he thought that there was little point in calling MPs back from their vacations for special Rada sessions. He said that if the factions could not gather 226 votes during a regular session to pass legislation, then there was little hope that they can get them in a special session.

#### SPECTER OF EARLY RADA ELECTIONS RISES AGAIN

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17. (C) Deputy Head of the Presidential Secretariat Maryna Stavniychuk on July 5 claimed that Yushchenko has the legal right to dissolve the Rada and call early elections. She said the coalition lacks a voting majority of 226 MPs and therefore can be considered unconstitutional. Stavniychuk said that the presidential dissolution decree has been drafted, but that the Yushchenko has not yet decided to act. BYuT MP Valeriy Pysarenko told us that the presidential secretariat's declaration was "laughable." He said that this was the same argument that Yushchenko had used before and that it completely ignored the Constitutional Court's ruling that Rada coalitions are made of factions not individual deputies.

18. (C) Pysarenko admitted that the coalition did not have a stable 226 voting majority, but that what mattered was that three factions that represent a majority signed the coalition

agreement. Mishchenko explained that Yushchenko's dissolution decree would be clearly illegal and that BYuT would have numerous avenues to successfully challenge it in court. Makeyenko told us that Regions did not want early Rada elections before the presidential elections. He said that while it was likely there could be Rada elections in 2010, Regions would fight against anything that would distract from its presidential campaign.

COMMENT

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19. (C) Regions' demand for raising pensions and wages at a time of massive budget shortfall is particularly cynical for a party that criticizes the PM for populism. The party's refusal to unblock the Rada long enough to adjourn the Rada for its summer recess was a fitting culmination to session that has had few legislative accomplishments since convening in February.

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